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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

MAR 10 1998

Federal Communications Commission
Office of Secretary

In the Matter of)

Petition for Forbearance of the)
Cellular Telecommunications Industry)
Association)

CC Docket No. 95-116

Telephone Number Portability)
)

REPLY COMMENTS OF WORLDCOM, INC.

WorldCom, Inc. ("WorldCom") hereby files its reply comments in response to the oppositions and comments concerning the petition for forbearance ("Petition") filed by the Cellular Telecommunications Industry Association ("CTIA") on December 16, 1997 in the above-captioned proceeding. The record shows that the wireless carriers' attempt to evade their obligation to implement local number portability ("LNP") until the expiration of the five-year network buildout period has no basis in law or reality, and should be rejected by the Wireless Telecommunications Bureau ("Bureau").

I. THE COMMISSION SHOULD ALLOW WIRELESS LNP TO MOVE FORWARD WITHOUT DELAY

The record is clear that wireless carriers should not be allowed to stall the progress of competition by substantially delaying, if not eliminating altogether, their obligation to provide wireless LNP. In this reply, WorldCom will respond to a few points raised in the initial comments filed by other parties in this proceeding.

In its Petition, CTIA argues that LNP is of little or no benefit to the wireless industry, and is an expensive and time-consuming undertaking. Because of these observations,

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CTIA claims that it would be in the public interest for the Commission to forebear from imposing LNP on the wireless industry. It is more important to have the wireless industry continue building out networks and supporting roaming, CTIA states, than implementing LNP.

WorldCom agrees with CTIA that LNP implementation is an expensive and time-consuming undertaking. Indeed, engendering competition where little has existed before usually is. However, LNP is the route that must be taken by all local carriers for competition to exist for the benefit of consumers in the local market. And local service competition is the central goal of the Telecommunications Act of 1996. Congress well recognized that consumers are the intended beneficiaries of local competition, and that LNP is the means to achieving that competition. In the face of this congressional decree, the mere convenience of companies, both wireless or wireline, cannot be recognized as a valid substitute.

As one commenter observes correctly, LNP is also a worthwhile means to conserve scarce telephone number resources. Paging Network Inc. ("PNI") notes that number portability and number pooling are inextricably tied.¹ As states undertake number pooling initiatives, they require carriers to give up existing unassigned numbers in order to pool those numbers for use by all carriers on a number block or individual number basis. Wireless carriers without LNP capability will not be able to obtain smaller groups of numbers. Of course, while these same carriers have opposed number pooling in other proceedings because they do not

¹ PNI Comments at 3.

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perceive an immediate benefit from pooling, they also oppose taking any steps to insure their participation, and resulting benefits.

Nextel makes a similarly cogent point when it states that:

[f]urther postponement of LNP implementation would perpetuate the plethora of problems created by telephone number exhaust. The sooner LNP is implemented, the sooner the industry can move forward with alternative methods of numbering administration."²

As a practical matter, carriers and CEOs will always want to do what makes business sense. However, despite CTIA's claims, network build-out and LNP implementation are not mutually exclusive concepts for savvy executives. Nextel observes that, "If competing in the CMRS marketplace requires both LNP implementation and system buildout, competitive carriers will ensure that both are achieved and that customers are provided state-of-the-art communications tools."³ WorldCom strongly agrees with Nextel's view that LNP, rather than an unnecessary drain on scarce resources, instead is "a tool to further enhance the growing competition in the CMRS industry," one that can be implemented "concurrently with aggressive system buildout."⁴

Network construction is undeniably important to both wireline and wireless facilities-based carriers. So, however, is the ability to obtain and retain customers. CTIA's

² Nextel Comments at 5.

³ Nextel Comments at 4.

⁴ Nextel Comments at 2.

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myopic focus only on network construction belies the fact that LNP is crucial for full-blown competition, enabling unfettered customer choice among wireline and wireless carriers. This competition extends beyond facilities-based providers to encompass resellers as well. As TRA states:

In particular, number portability will enable consumers to switch easily between wireless facilities-based carriers; and -- critically -- between wireless facilities-based carriers and resellers. This ease of switching forces carriers to reduce their rates and to improve their service offerings in order to attract and retain customers....⁵

At some point in the near future, carriers will find themselves actively wooing customers away from each other as the fresh supply of customers new to the wireless market begins to dwindle. As in the current long-distance market and future wireline local market, the customer's desire to "churn" (another word for actively exercising the ability to choose) between wireless providers will be intense. There will be an ever increasing need to transfer customers quickly and painlessly among all types of carriers, and to minimize the need for inefficient handling or use of telephone numbers. LNP is the obvious answer.

WorldCom is perplexed by the opposition to LNP implementation deadlines voiced by the Personal Communications Industry Association ("PCIA"). PCIA supports the 5-year moratorium because it supposedly gives wireless carriers "a grace period" to "determine the appropriate timing of implementation" and "allow time for wireless number portability

⁵ TRA Comments at 2.

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technology solutions to be developed, tested, standardized, and implemented free from artificial deadlines."⁶ While WorldCom agrees that flexibility is important, particularly when delving into new and extremely complex technology, it should not be translated into a "laissez faire" attitude toward mandatory deployment schedules. The wireless industry has now had two years since the passage of the Telecommunications Act to know LNP was coming, and eighteen months since the Commission's first order spelled out how wireless carriers would be expected to participate. By expending supposedly scarce time, money, and effort toward thwarting the wireless LNP requirement, the wireless carriers are revealing their true, less appealing motivation.

PCIA further claims that the problems experienced with the LNP vendor originally chosen in the West Coast, Western, and Southeast regions of the country (Perot Systems) may well cause the deadline for Phase 1 to be missed because of vendor failure to provide a stable platform. According to PCIA, this difficulty should serve as a "cautionary tale" for the Commission in its decision to impose firm deadlines for wireless carriers.⁷ WorldCom finds this observation groundless. In no way should it be insinuated that "flexibility of implementation" would have furthered LNP deployment in those regions; in fact, quite the reverse. Without firm deadlines, nothing in the way of opening up markets to competitors would ever get done in the telecommunications industry. In the case of the problems

⁶ PCIA Comments at 4.

⁷ PCIA Comments at 4-5.

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experienced by Perot Systems, it was missed deadlines that alerted the industry to the problems. Those same problems likely would have gone undiscovered for many months if a "flexible" implementation schedule had been in effect. The resulting failures, frustration, and expenses would have continued to mount unabated, adversely affecting carriers and consumers alike.

WorldCom takes exception to Bell Atlantic Mobile, Inc.'s ("BAM") dictate that forbearance from wireless number portability is not only appropriate; "it is required by law."⁸ We think not. BAM's petition for review is pending in the Tenth Circuit and has not yet been decided. Unless and until the 10th Circuit has ruled in BAM's favor, any arguments that the Commission exceeded its authority in requiring LNP, or is required to forbear under Section 10(a) of the Communications Act, lack merit.

BAM also insists that wireless number portability rules "have no bearing on whether carriers will impose unjust or otherwise unlawful charges or practices, nor the rules necessary to protect consumers."⁹ BAM should know better than anyone that the presence of more than a few carriers striving to serve customers can expose and eradicate the extortionist practices of monopolies. Number portability enables this type of market protection, which benefits consumers.

Finally, BAM notes that "Most tellingly, the very carriers that number portability

⁸ BAM Comments at 1.

⁹ BAM Comments at 2.

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was intended to help now state that they do not want it."¹⁰ This is yet another display of smoke and mirrors. What is far more telling -- and true -- is that the very carriers which believe they will be harmed by the competition afforded by number portability actively shrink from its implementation. Moreover, the positions of individual competitors on LNP should be of little import to the Commission when compared to the ultimate beneficiaries of LNP -- consumers.

In sum, this is not really a policy issue of limited resources, or a legal issue of forbearance, but rather a competitive issue. No one should be mistaken about what is really being sought here. CTIA's call for a five-year moratorium, like its earlier call for a nine-month delay, is rooted in the simple fact that CTIA's members do not want the same level of competition and consumer choice to flourish in the wireless market, or between the wireless and wireline industries, that is now being implemented in the wireline market. While this view is entirely understandable from a certain cramped business perspective, it has no proper place in Commission policy.

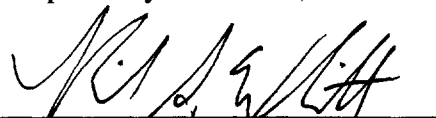
¹⁰ BAM Comments at 3.

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II. CONCLUSION

WorldCom urges the Commission to stay the course and reject the CTIA petition seeking forbearance from LNP for the wireless industry. As explained above and in WorldCom's opposition, the Bureau should reject CTIA's Petition as unsupported and contrary to the requirements of Section 10 (as well as Section 251) of the Telecommunications Act of 1996.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. S. Whitt', is written over a horizontal line.

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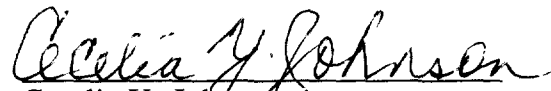
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